

Human Resource Management

Unit 7

Human Resource Management

Concept:

- ❖ Human resource management is a process concerned with the management of human energies and competencies in a changing environment for achieving organizational objectives through acquisition, development, utilization and maintenance of a competent and committed work force.
- ❖ HRM is concerned with acquisition, development, utilization and maintenance of human resource in organization to meet organizational goal.
- ❖ Human resource management is a process consisting of the acquisition, development, motivation and maintenance of human resource (**Decenzo and Robbins**)

Characteristics of Human Resource Management

1. Human focus
2. Management function
3. Pervasive function (universal function)
4. Continuous process (function)
5. Dynamic activity
6. System oriented
7. Focus on organizational strategy
8. Social process
9. Integration of Mutual interest

Objectives of Human Resource Management

1. Manage effective staff
2. Utilization of physical resources
3. Increase productivity
4. Focus on goal achievement
5. Helps to solve problems
6. Job satisfaction
7. Self development of workers
8. Goal integration
9. Maintain quality of work life
10. Adaptation with change

Components/ Functions of HRM

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graph TD; Root[Components/ Functions of HRM] --> A[A. Acquisition function]; Root --> B[B. Development function]; Root --> C[C. Utilization function]; Root --> D[D. Maintenance function];
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A. Acquisition function

1. HR planning
2. Recruitment
3. Selection
4. Placement
5. Socialization

B. Development function

1. Development need analysis
2. Employee training
3. Management development
4. Career development

C. Utilization function

1. Motivation
2. Performance appraisal
3. Reward and compensation
4. Employee benefits

D. Maintenance function

1. Employee relation
2. Employee discipline
3. Employee welfare
4. Effective communication

A. Acquisition function

❖ Acquisition is the process of planning, recruitment and selection, and socialization of human resource in the organization. It concerned with hiring competent employees.

1. Human resource planning

❖ HRP is the process of predetermining an organization's human resource needs to achieve organizational objectives.

2. Recruitment

❖ It inspires the potential candidates to fill the application form for employment.

3. Selection

❖ Selection chooses the best qualified candidate from the available candidates.

4. Placement

- ❖ It is the process of providing appointment and assigning specific jobs to selected employees.

5. Socialization

- ❖ It makes the selected candidates familiar with the organizational rules and regulations.

B. Development function

- ❖ It is concerned with providing appropriate training and development opportunity for employees. Training and development program are required to increase the knowledge and skill of employees.

1. Development need analysis

- ❖ It is concerned with making study about the need of development of working efficiency of employees of different department for future performance.

2. Employee training

- ❖ It is generally skills oriented. It enhances the capabilities of employees for doing the current jobs. It can be on- the- job and off- the – job.

3. Management development

- ❖ It refers to develop the potential of managers to handle future jobs and responsibilities. It can be on- the- job and off- the- job.

4. Career development

- ❖ It provides the opportunity to choose career path of employees to match their long- term needs. Career development involves personal improvements undertaken to achieve a career plan.

C. Utilization function

- ❖ It ensures willingness of employees for increasing productivity by doing jobs effectively.

1. Motivation

- ❖ It is concerned with the process of inducing, inspiring, organizing and stimulating employees to do better job in organization.

2. Performance appraisal

- ❖ Performance appraisal means evaluating an employees' current or past performance related to their performance standards.

3. Reward and Compensation

- ❖ It is concerned with providing return to the employees for their work in the organization.

4. Employee benefits

- ❖ Benefits are provided to the employees for encouraging them for better performance.

D. Maintenance function

- ❖ It aims to retain the employees in the actual work for a longer period of time.

1. Employee relation

It is concerned with maintaining better working environment in the organization.

2. Employee discipline

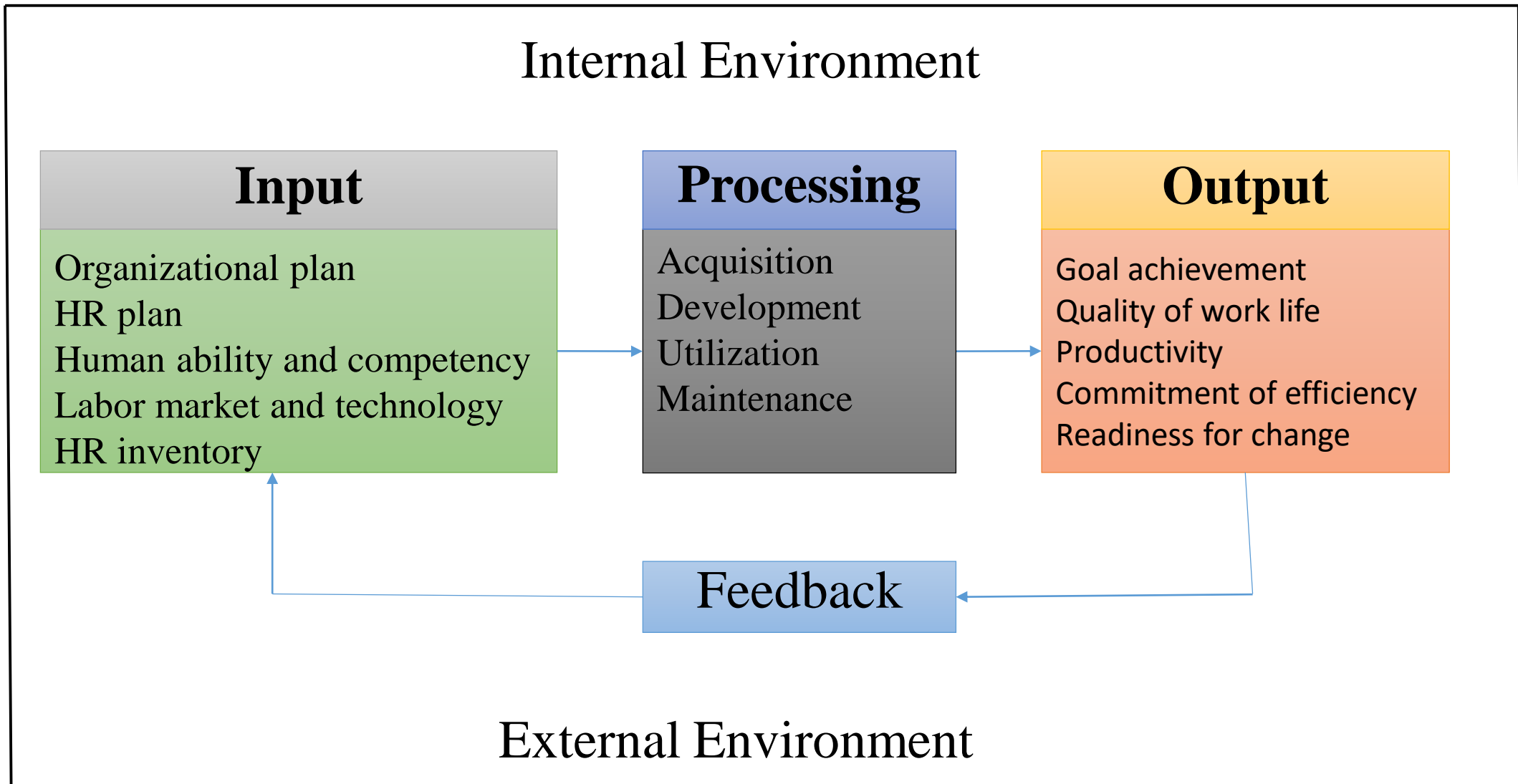
- ❖ Discipline means following of rules and regulations. Employees discipline related to the behavior of employees.

3. Employees welfare

- ❖ It is related to health, safety, entertainment, pension, gratuity, child and family care and education.

4. Effective communication

Human Resource Management System



Human Resource Outcomes

1. Quality of work life
2. Productivity
3. Readiness to change

1. Quality of work life

- Quality of work life is concerned with the working relationship between employees and total working environment of the organization.
- It makes the more interesting, challenging and satisfying through the development of efficient working relationship.
- Its main purpose is to provide the employee's social, physical, and psychological needs.
- Quality of work life consists of autonomy, recognition, belonging, internal rewards and external rewards.
- It is represented by equity in compensation, safe and healthy work environment, development human capacities, social relevance, social responsibility, and total life space.

2. Productivity

- Productivity is concerned with an efficient relationship between organizational input and output.
- It is the measure of how well resources are combined and utilized to produce a result desired by management.
- Productivity is the result of worker's motivation and commitment to work.
- Some of important factors which play an effective role to increase organizational productivity. They are technology, innovation, learning, motivation, performance links reward.

3. Readiness to change

- Change is making things different. Readiness to change is concerned with an ability to adjust in the changing environment.
- The organizational environment is ever dynamic and complex, therefore, the workers should play a significant role in initiating change.
- To manage all kinds of change in the organization, the following techniques can be adopted.
 - Education and communication to employees about change.
 - Participation and involvement of employees in planning and implementation of change.
 - Facilitation and support to employees through training and education.
 - Negotiation and agreement with employees about change.

Challenges of Human Resource Management (Contemporary HRM issues)

1. Globalization
2. Outsourcing
3. Managing workforce diversity
4. Knowledge management
5. Technological advancement
6. Change management
7. Ethical HR activities
8. Size and complexity
9. Change in legal trends
10. Empowerment of employees
11. Work life balance

1. Globalization

Globalization means that the organization enters into the international market across the domestic market.

It has brought a number of challenges for HR department and managers. In this way, the organization has to provide policies and facilities to the employees.

Thus globalization creates challenges managing HR in the organization.

2. Complexity

Organization are increasing in large size. The large organizations bring complexities in HR management so knowledge, ability and skill human resource are needed to manage these organizations.

3. Technological change

Technological refers to the process of making and using tools and equipment. It is changing rapidly. thus HR managers work hard to identify how to use technology.

4. Work force diversity

Work force diversity refers to the difference among people, age, race, religion, profession, sexual orientation, geographic origin, with the organization.

It is increasing in organization today because of changing population.

This has increased the role and responsibility of HR manager to handle diversity related issues and problems at work place.

5. Less attached employees

Less attached employees refers to temporary workers (employees) appointed for short- term contracts.

They don't fulfill the peak- time business needs of organization because they work different organization at different time.

Thus less attached employees are challenges for HRM.

6. New HRM concerns

HRM concerns are increasing for the management of work teams, virtual teams, reengineering and total quality management. Human resource outsourcing and social responsibility also are changing. Such concerns pose challenges for HRM.

7. Management of change

There are different kinds of changes in organization. To keep the such organizations changing, it is necessary to modify skills and knowledge of employees. But effective management change is a challenge for HRM.

8. Learning organization

Learning organization refers to those organizations which have developed the capacity to continuously learn, adapt, and change.

Organizations are getting knowledge- based.

They need to find ways to expand employee capacity through continuous learning.

Learning organization is a challenge for HRM.

Human Resource Planning

Concept

Human resource planning is the process of determining an organization's human resource needs.- Decenzo and Robbins

Human resource planning is a process by which the management determines future human resource requirements and how existing human resources can be effectively utilized to fulfill these requirements.

HRP aims at getting the right number of qualified people into the organization at the time.

Characteristics of HR planning

1. Component of corporate planning
2. Focus of goal
3. Continuous process
4. Dynamic process
5. Future oriented
6. System oriented
7. Component of acquisition function
8. Based on time frame [**Time horizon (short- term or long- term)**]
9. Focus on quantitative and qualitative
10. Emphasize on productivity

Human Resource Planning Process

1. Determining HR objectives and policies
2. Assessing current human resource
3. Forecasting human resource demand
4. Forecasting human resource supply
5. Matching HR demand and supply
6. Developing action plan (preparation of HR plan)
7. Provision of evaluation and adjustment

1. Determining HR objectives and policies

- HR plans need to be based on organizational objectives. Specific requirements in terms of number and characteristics of employees should be derived from organizational objectives.
- Once the organizational objectives are specified, the HR department must specify its objectives and formulate policies to HR utilization in the organization.

2. Assessing current human resource

- Assessing current human resources means developing a profile of the organization's current employees.
- This is an internal analysis that includes information about workers and skills already available within the organization.
- It provides the current status of existing human resource of the organization.
- Current human resources can be assessed through HR inventory, HR information system, succession planning and job analysis.

3. Forecasting human resource demand

- Demand forecasting is the process of estimating the future quantity and quality of employees required on every significant job level and types.
- The demand for HR in an organization differs due to the external and internal changes in the organization.
- External factors include political, economical, socio- cultural and technological changes.
- Internal factors include the organization's specific objectives, growth and expansion, design and structural change, management philosophies, leadership style, employee's resignation, retirement etc.

4. Forecasting human resource supply

- Supply forecasting refers to the process of estimating future sources of human resources in an organization.
- It provides information about number of required human resources available internal and external sources.
- Internal sources include promotion, transfers, demotions, working shift etc.
- External sources include educational and training institutes and labor market.

5. Matching HR demand and supply

- Demand and supply forecasts of human resources are matched to determine future human resource requirement.
- After comparing future demand and supply, HR manager can make plans to manage predicted shortages and overstaffing (surpluses).
- If shortages are predicted, new employees can be hired.
- If overstaffing is predicted, extra employees can be transformed.

6. Developing action plan

- The action plan is an important phase in executing HR planning through the design of different HR activities.
- The major activities required for the implementation are included in the action plan.
- These major activities are recruitment action plan, selection action plan, socialization plan, training and development plan, redundancy action plan, succession action plan.

7. Provision of Evaluation and Adjustment

- Once HR planning is completed, it is very important to monitor and evaluate in order to know how the HR planning matches the HR objectives and policies.
- Evaluation and control provide feedback in the overall effectiveness of human resource planning by monitoring the degree of achievement of HR objectives.

Importance of Human Resource Planning

1. Focused on objectives
2. Uncertainty reduction
3. Facilitates acquisition of human resources
4. Development of human resource
5. Effective utilization of human resources
6. Human resource maintenance
7. Cost minimization
8. Readiness to change
9. Maximize productivity
10. Environmental adaptation

Thank You